

# TEXAS SESSION LAWS 2015

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## GENERAL AND SPECIAL Eighty-Fourth Legislature, Regular Session

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### ISSUANCE OF CERTAIN CAPITAL APPRECIATION BONDS BY POLITICAL SUBDIVISIONS

#### CHAPTER 991

H.B. No. 114

#### AN ACT

**relating to the issuance of certain capital appreciation bonds by political subdivisions.**

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subchapter B, Chapter 1201, Government Code, is amended by adding Section 1201.0245 to read as follows:

*Sec. 1201.0245. CAPITAL APPRECIATION BONDS BY POLITICAL SUBDIVISIONS. (a) In this section, "capital appreciation bond" means a bond that accrues and compounds interest from its date of delivery, the interest on which by its terms is payable only upon maturity or prior redemption.*

*(b) A county, municipality, special district, school district, junior college district, or other political subdivision may not issue capital appreciation bonds that are secured by ad valorem taxes unless:*

*(1) the bonds have a scheduled maturity date that is not later than 20 years after the date of issuance;*

*(2) the governing body of the political subdivision has received a written estimate of the cost of the issuance, including:*

*(A) the amount of principal and interest to be paid until maturity;*

*(B) the amount of fees to be paid to outside vendors, including vendors who sell products to be financed by the bond issuance;*

*(C) the amount of fees to be paid to each financing team member; and*

*(D) the projected tax impact of the bonds and the assumptions on which the calculation of the projected tax impact is based;*

*(3) the governing body of the political subdivision has determined in writing whether any personal or financial relationship exists between the members of the governing*

body and any financial advisor, bond counsel, bond underwriter, or other professional associated with the bond issuance; and

(4) the governing body of the political subdivision posts prominently on the political subdivision's Internet website and enters in the minutes of the governing body:

(A) the total amount of the proposed bonds;

(B) the length of maturity of the proposed bonds;

(C) the projects to be financed with bond proceeds;

(D) the intended use of bond proceeds not spent after completion of the projects identified in Paragraph (C);

(E) the total amount of the political subdivision's outstanding bonded indebtedness at the time of the election on the bonds, including the amount of principal and interest to be paid on existing bond indebtedness until maturity;

(F) the total amount of the political subdivision's outstanding bonded indebtedness, including the amount of principal and interest to be paid until maturity; and

(G) the information received under Subdivision (2) and determined under Subdivision (3).

(c) The governing body of a political subdivision that makes a determination that a personal or financial relationship described by Subsection (b)(3) exists shall submit the determination to the Texas Ethics Commission.

(d) The governing body of a political subdivision shall regularly update the debt information posted on the political subdivision's Internet website under Subsection (b)(4)(F) to ensure that the information is current and accurate.

(e) Capital appreciation bond proceeds may not be used to purchase the following items, unless an item has an expected useful life, determined based on the depreciable life of the asset under the Internal Revenue Code of 1986, that exceeds the bond's maturity date:

(1) items more regularly considered maintenance items, including replacement HVAC units, upgraded plumbing, or similar items; or

(2) transportation-related items, including buses.

(f) Capital appreciation bond proceeds unspent after completion of the project identified as the proceeds' intended use may be used only for a use identified on the political subdivision's website under Subsection (b)(4)(D), unless another use is approved by the voters of the political subdivision at an election held for that purpose.

(g) The total amount of capital appreciation bonds may not exceed 25 percent of the political subdivision's total outstanding bonded indebtedness at the time of the issuance, including the amount of principal and interest to be paid on the outstanding bonds until maturity.

(h) Except as provided by Subsection (i), a county, municipality, special district, school district, junior college district, or other political subdivision may not extend the maturity date of an issued capital appreciation bond, including through the issuance of refunding bonds that extend the maturity date.

(i) A political subdivision may extend the maturity date of an issued capital appreciation bond only if:

(1) the extension of the maturity date will decrease the total amount of projected principal and interest to maturity; or

(2) the political subdivision is a school district and:

(A) the maximum legally allowable tax rate for indebtedness has been adopted; and

(B) the Texas Education Agency certifies in writing that the solvency of the permanent school fund's bond guarantee program would be threatened without the extension.

(j) *Subsection (b) does not apply to the issuance of:*

(1) *refunding bonds under Chapter 1207; or*

(2) *capital appreciation bonds for the purpose of financing transportation projects.*

SECTION 2. The change in law made by this Act does not affect the validity of capital appreciation bonds issued before the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2015.

Passed by the House on May 13, 2015: Yeas 143, Nays 0, 2 present, not voting; the House concurred in Senate amendments to H.B. No. 114 on May 28, 2015: Yeas 138, Nays 2, 3 present, not voting; passed by the Senate, with amendments, on May 26, 2015: Yeas 31, Nays 0.

Approved June 19, 2015.

Effective September 1, 2015.

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## RESEARCH, COLLECTION, AND USE OF ADULT STEM CELLS

### CHAPTER 992

H.B. No. 177

#### AN ACT

**relating to the research, collection, and use of adult stem cells.**

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subtitle H, Title 3, Education Code, is amended by adding Chapter 156 to read as follows:

#### CHAPTER 156. ADULT STEM CELL RESEARCH PROGRAM

Sec. 156.001. **DEFINITIONS.** *In this chapter:*

(1) *“Adult stem cell” means an undifferentiated cell that is:*

(A) *found in differentiated tissue; and*

(B) *able to renew itself and differentiate to yield all or nearly all of the specialized cell types of the tissue from which the cell originated.*

(2) *“Consortium” means the Texas Adult Stem Cell Research Consortium.*

(3) *“Institution of higher education” means an institution of higher education as defined by Section 61.003 or a private college or university that receives state funds.*

(4) *“Program” means the adult stem cell research program established under this chapter.*

(5) *“Research coordinating board” means the Texas Adult Stem Cell Research Coordinating Board.*

Sec. 156.002. **COMPOSITION OF RESEARCH COORDINATING BOARD.** (a) *The Texas Adult Stem Cell Research Coordinating Board is composed of seven members appointed as follows:*

(1) *three members who are interested persons, including at least one person who represents an institution of higher education and one person who is a representative of an advocacy organization representing patients, appointed by the governor, with the advice and consent of the senate;*

(2) *two members who are interested persons appointed by the lieutenant governor; and*

(3) *two members who are interested persons appointed by the speaker of the house of representatives.*